



Via Electronic Mail and FedEx

April 20, 2015

Michele Dermer
U.S. EPA, Region IX
75 Hawthorne Street
San Francisco, CA 94105-3901

Re: Underground Injection Control Aquifer Exemption Class I Non-Hazardous Wells

Dear Ms. Dermer:

Thank you for speaking with us on April 17, 2015. This letter confirms our understanding of the next steps Elk Hills Power (EHP) will need to take to timely pursue the aquifer exemption for the UIC Class 1 Aquifer Exemption for the 1B and 2B sections of the Elk Hills oil field (Aquifer Exemption Application). As we discussed, the aquifer exemption workshop held in Long Beach, California on March 24, 2015, provided clear direction from the State agencies and the EPA on where an aquifer exemption was likely to be granted. As a result, EHP decided it would be best to pursue the Aquifer Exemption Application for an area where it had already received a written concurrence from the State Water Board, namely sections 1B and 2B, instead of pursuing a renewal of the UIC well application in Section 18G.

In addition to submitting the Aquifer Exemption Application, EHP will submit a new UIC permit application for injection at the new location (UIC Application). After approval of the Aquifer Exemption Application and the UIC Application, EHP will relocate the Class 1 UIC Wells from 18G section to sections 1B and 2B.

Finally, EHP will not be submitting a response to the technical question requested by the EPA on EHP's Class 1 UIC Well renewal application because, as outlined above, the renewal is no longer necessary.

If you have any questions, please do not hesitate to contact me at (661) 765-1801 or Mr. Sonnie Pineda at (661) 765-1805.

Very truly yours,

Bob Bond
Elk Hills Power Team Lead